

State of Alaska FY2010 Governor's Operating Budget

Department of Health and Social Services Medical Assistance Administration Component Budget Summary

Component: Medical Assistance Administration

Contribution to Department's Mission

Department wide, Health Care Services administers the State Children's Health Insurance Program (SCHIP), the Medicaid Management Information System (MMIS), claims payments and accounting, third-party liability collections and recoveries, and the Chronic and Acute Medical Assistance Program.

Core Services

- Administration of the Medicaid and Chronic and Acute Medical Assistance (CAMA) Programs - Programmatic and financial responsibility for Medicaid services and CAMA are housed under Health Care Services (HCS), whose customers are the major users of the services. HCS maintains the operations aspects of the programs, i.e., claims payments; contract management; provider, facility and client services.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: \$34,376,200	Personnel:	
	Full time	84
	Part time	0
	Total	84

Key Component Challenges

Medicaid Management Information System Development Project - The Department awarded a contract to Affiliated Computer Services (ACS) for a new Medicaid Management Information System (MMIS). The new MMIS, known as Alaska Medicaid Health Enterprise, is scheduled for June 2010 and will be available to providers and recipients who participate in the medical assistance programs. The Division of Health Care Services (DHCS) administers the Medicaid program and has the vision to maintain access to health care and provide health coverage for Alaskans in need. ACS has the experience to fulfill this vision combining the latest program innovations and technological advancements. In nearly ten years, CMS has not seen an MMIS project come in on time and on budget. Since this is a fixed cost budget, any delays will fall on the State to absorb. A significant challenge will be the effective control of the project to ensure the timeline is strictly adhered to throughout implementation.

Alaska Medicaid Health Enterprise is a sophisticated, web-enabled solution for administering all Medicaid programs. It will have features allowing users to access the system through a user-friendly web portal. This progressive MMIS system will incorporate innovative features and advancements that will grow as DHCS grows.

Significant Changes in Results to be Delivered in FY2010

- The new Medicaid Management Information System (MMIS), known as Alaska Medicaid Health Enterprise, will be available to state staff, providers, and recipients.
- The new MMIS offers more options for providers. It will make it easier for providers to do more through a secure and interactive website, such as enroll in Alaska's Medicaid program, submit claims and receive payments electronically. They will be able to find out what amount of the claim will be paid. If claims are denied, they can find out the reasons for denial. This online access to claims will help providers catch errors, which could decrease the amount of time needed to process and pay claims. Providers will also be able to receive payments electronically through electronic funds transfer directly to their banking account.

- The new MMIS also will benefit Medicaid recipients. Recipients will be able to visit a secure and interactive website to learn more about Medicaid benefits and coverage, and to find participating health care providers in their area. Customer service and support also will be available through the Internet.
- The ability to access information through the web portal puts more of the control into the hands of the individual, whether provider or recipient. It also provides a place for the general public to get additional information on eligibility requirements and provides them with the forms to begin the process.

Major Component Accomplishments in 2008

Health Care Services initiated a project to upgrade the pre-payment auditing software tool Claim Check®. This software evaluates procedure codes used on claims to ensure correct payment of services. Claim Check® uses Current Procedural Terminology guidelines of the American Medical Association and health care industry standards to evaluate for appropriate relationships of procedure codes submitted on claims. This upgrade will not only ensure continued support and application of the software tool, but will also provide for new edits and guidelines. This project is ongoing in FY2009.

Health Care Services transitioned from the planning phase to development and implementation of changes needed to comply with the federal Deficit Reduction Act (DRA) requirements for use of national drug codes (ndc's), instead of J-codes, on professional and outpatient facility claims. These billing changes are required to satisfy DRA rules for Drug Rebate claiming. Solutions were implemented in April, 2008 for processing claims based on the new federal requirements. Completion of remaining DRA J Code Drug Rebate project components is slated for FY2009.

Health Care Services initiated a project to comply with the federal Deficit Reduction Act requirements relating to partial-month beneficiary eligibility. This project is ongoing in FY2009.

Health Care Services implemented reporting processes to satisfy requirements relating to the federally-mandated Payment Error Rate Measurement (PERM) project. This project focuses on both claims payment and beneficiary eligibility determination. Reporting processes were developed to support both areas of PERM. HCS participated in department-wide coordination efforts. Completion of activities related to the current PERM review cycle continues in FY2009.

Statutory and Regulatory Authority

Alaska Statutes:

AS 47.07 Medical Assistance for Needy Persons

AS 47.25 Public Assistance

Social Security Act:

Title XVIII Medicare

Title XIX Medicaid

Title XXI Children's Health Insurance Program

Administrative Code:

7 AAC 43 Medicaid

7 AAC 48 Chronic and Acute Medical Assistance

Code of Federal Regulations:

Title 42 CFR Part 400 to End

Contact Information

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**Medical Assistance Administration
Component Financial Summary**

All dollars shown in thousands

	FY2008 Actuals	FY2009 Management Plan	FY2010 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	5,789.6	7,866.6	8,506.8
72000 Travel	146.4	124.8	124.8
73000 Services	22,126.1	23,866.6	23,935.5
74000 Commodities	124.5	125.3	173.1
75000 Capital Outlay	0.0	21.0	21.0
77000 Grants, Benefits	29.7	15.0	1,615.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	28,216.3	32,019.3	34,376.2
Funding Sources:			
1002 Federal Receipts	17,525.3	21,809.4	22,973.5
1003 General Fund Match	7,531.9	7,921.6	9,019.6
1004 General Fund Receipts	1,291.8	789.0	883.8
1007 Inter-Agency Receipts	0.0	3.4	3.4
1061 Capital Improvement Project Receipts	1,867.3	1,495.9	1,495.9
Funding Totals	28,216.3	32,019.3	34,376.2

Estimated Revenue Collections

Description	Master Revenue Account	FY2008 Actuals	FY2009 Management Plan	FY2010 Governor
Unrestricted Revenues				
None.		0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0
Restricted Revenues				
Federal Receipts	51010	17,525.3	21,809.4	22,973.5
Interagency Receipts	51015	0.0	3.4	3.4
Capital Improvement Project Receipts	51200	1,867.3	1,495.9	1,495.9
Restricted Total		19,392.6	23,308.7	24,472.8
Total Estimated Revenues		19,392.6	23,308.7	24,472.8

**Summary of Component Budget Changes
From FY2009 Management Plan to FY2010 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2009 Management Plan	8,710.6	21,809.4	1,499.3	32,019.3
Adjustments which will continue current level of service:				
-Correct Unrealizable Fund Sources in the Salary Adjustment for the Existing Bargaining Unit Agreements	33.7	0.0	-33.7	0.0
-Transfer Administrative positions/funding from DSS/Administrative Support Services	274.9	277.2	0.0	552.1
-FY2010 Wage and Health Insurance Increases for Bargaining Units with Existing Agreements	84.2	86.9	33.7	204.8
Proposed budget increases:				
-Provider Re-enrollment	800.0	800.0	0.0	1,600.0
FY2010 Governor	9,903.4	22,973.5	1,499.3	34,376.2

Medical Assistance Administration Personal Services Information				
Authorized Positions			Personal Services Costs	
	FY2009 Management Plan	FY2010 Governor		
Full-time	77	84	Annual Salaries	5,834,800
Part-time	0	0	COLA	219,838
Nonpermanent	5	5	Premium Pay	0
			Annual Benefits	3,013,113
			<i>Less 6.19% Vacancy Factor</i>	(560,921)
			Lump Sum Premium Pay	0
Totals	82	89	Total Personal Services	8,506,830

Position Classification Summary					
Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accountant III	1	0	0	0	1
Accounting Tech II	1	0	0	0	1
Accounting Tech III	1	0	0	0	1
Admin Operations Mgr II	1	0	0	0	1
Administrative Assistant I	1	0	0	0	1
Administrative Assistant II	1	0	1	0	2
Administrative Clerk II	1	0	0	0	1
Administrative Clerk III	3	0	0	0	3
Administrative Officer I	1	0	0	0	1
Administrative Officer II	0	0	1	0	1
Assoc Coordinator	1	0	0	0	1
Business Analyst	1	0	0	0	1
Business Manager	1	0	0	0	1
Conversion, System Analyst	1	0	0	0	1
Deputy Project Director	1	0	0	0	1
Division Director	1	0	0	0	1
Health Program Mgr III	1	0	0	0	1
Health Program Mgr IV	3	0	0	0	3
Hlth & Soc Svcs Plnr II	1	0	0	0	1
Information Officer II	1	0	0	0	1
Internal Auditor III	1	0	0	0	1
Medical Assist Admin I	6	0	0	0	6
Medical Assist Admin II	9	0	0	0	9
Medical Assist Admin III	14	0	1	0	15
Medical Assist Admin IV	4	0	2	0	6
Nurse Consultant II	2	0	0	0	2
Pharmacist	2	0	0	0	2
Project Analyst	9	0	0	0	9
Project Coord	3	0	0	0	3
Project Coordinator	1	0	1	0	2
Project Director	1	0	0	0	1
Project Manager	1	0	0	0	1
Research Analyst II	1	0	0	0	1
Research Analyst III	2	0	0	0	2
Research Analyst IV	1	0	0	0	1
Staff Physician	0	0	1	0	1

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Testing Systems Analyst	1	0	0	0	1
Transition Manager	1	0	0	0	1
Totals	82	0	7	0	89